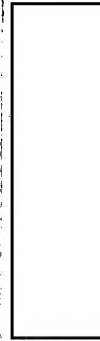


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STATINTL

UNCLASSIFIED

- 2 -

1. (1b) Sino-Soviet Friendship:

Peking (Dec. 23) declared that SSF Month should be a regular event, and pointed out that Peking, Tientsin, Chungking, and Fukien Province had made Sino-Soviet friendship activities a monthly feature. However, SSF work should also be part of regular political propaganda, with stress on emulation of the USSR, Soviet aid to China, and the importance of progressive Soviet methods.

Wuhan reported (Dec. 22) that the local SSFA held a meeting on Stalin's birthday to "pay homage to the great leader of the working class and defender of world peace," with Soviet cultural representatives among the speakers. Chungking said (Dec. 25) that the "broad masses" in Lhasa and Shigatse saw movies and discussed Sino-Soviet friendship during SSF Month.

Sian stated (Dec. 26) that Lanchow celebrated Stalin's birthday, with Soviet friends and high officials participating. Speakers urged emulation of the USSR and a study of Soviet documents, and it was reported that high-level cadres were studying Malenkov's report to the 7th Party Congress.

2. (1c) Soviet Technical Guidance:

Peking announced (Dec. 12) that the first "peace train" produced by workers in the Dairen railway shops arrived in Peking on Dec. 18. Peking in numeral code (Dec. 28) quoted the Minister of Conservancy as urging adoption of Soviet techniques, pointing out that most of the drought damage in Hopei, Chekiang, Kiangsu, and Hupeh this year was the result of poor construction, improper maintenance of irrigation facilities, and waste of water.

Peking asserted in numeral code (Dec. 27) that by adopting Soviet techniques "designed for construction in the Northeast," building companies had made full use of materials, and lowered costs 10 percent. Wuhan reported (Dec. 22) that 75,000 local workers learned of progressive Soviet science during SSF Month. As a result 95 percent of Hankow power plant and Hankow textile mill workers joined the SSFA and started increasing production.

3. (1c) Soviet Superiority:

Peking asserted (Dec. 27) that while prosperous Soviet farmers welcomed New Year, bankrupt American farmers were "filled with dread," as the majority had an income averaging only 1,500 dollars, half of which went for taxes and half for necessary equipment. Commenting on the Reston interview with Stalin, Peking noted (Dec. 27) that "the voice of Stalin inspires people throughout the world."

Chungking said (Dec. 23) that by adopting Soviet methods, two Minseng Navigation Company ships completed the trip from Ichang to Wanhhsien in the record time of 29 hours 50 minutes.

Peking (Dec. 22 and 23) presented talks by two officials describing the superior features of the Soviet textile industry. Peking said (Dec. 24) that progress was being made on construction of the Kotsuling Reservoir through adoption of Soviet methods, and added (Dec. 27) that by learning Soviet techniques workers on the Chinese-Chuangchun Railway were completing their assignments ahead of schedule.

4. (2a) War Propaganda:

According to Peking in numeral code (Dec. 23) American soldiers, "passing cold nights in the midst of fear," do not know what they are fighting for. Peking said (Dec. 27) that Sangkan Ridge veterans, on the other hand, held a victory rally and sent messages to Kim and Mao promising unity among the fighting forces.

UNCLASSIFIED

STATINTL

UNCLASSIFIED

- 3 -

They also "received large quantities of food and fuel from the Korean masses." Sian stated (Dec. 26) that Ninghsia members of the comfort team returning from the front would make a speaking tour of the province.

Peking in numeral code (Dec. 22) asserted that "progressive circles" in India opposed the Indian peace resolution adopted by the U.N. General Assembly, and Peking said (Dec. 28) that the SWADHINATA and NAYA ZAMANA of India had demanded punishment of the American gangsters who engineered the Indian resolution to pave the way for the Pongam massacre. However, "progressive circles" praised the peace recommendations made by Kitchlew at Vienna, Peking said (Dec. 27).

5. (2b) Tax Collections:

Sian reported (Dec. 25) that Northwest deputy chairman Ma Ming-fang had accused tradesmen of evading taxes, demanded that State enterprises pay their taxes on time, and urged firmness "but not coercion" in collecting farm production taxes, which were slow to come in.

6. (2c) Trade and Production:

Peking announced in numeral code (Dec. 22) that Chou En-lai had called for stronger enforcement of regulations to stop the spread of asphalt poisoning, which was becoming serious.

Sian reported (Dec. 26) that the Northwest government had ordered adjustments in State trading companies' prices on sugar, matches, shoes, cigarettes, and soap to allow a greater spread between wholesale and retail prices. Mukden said (Dec. 26) that the Northeast government had ordered a five percent reduction on prices during the holidays, "except on food."

Peking reported in numeral code (Dec. 26) that the Construction Materials Administration had been charged with overspending in certain fields. Corrections were made by elimination of one-third of the enterprises and concentration on cement and electronics.

7. (3a) Moves Toward Russianization:

Peking announced in numeral code (Dec. 24) that the new Ministry of Higher Education had mobilized cadres with a knowledge of Russian "and a similar background" to translate Soviet books for higher institutions. Sian reported (Dec. 24) that the Shensi party committee was giving indoctrination courses to teachers.

Shanghai stated (Dec. 26) that the Anhwei party committee had organized discussion groups to promote, among other things, a higher ideological level among cadres, better Party-public relationships, and a better handling of letters from informers. Kunming said (Dec. 27) that local factories and mines had admitted 3,000 workers and clerks to Party membership because they "enthusiastically promoted production and other drives."

Peking announced in numeral code (Dec. 24) that the China Democratic League had reorganized its KUANGMING JIH PAO, which would act "as a thinking guide for the Nation's commercial and industrial circles." The TA KUNG PAO of Shanghai and the CHEN FU JIH PAO of Tientsin were amalgamated and would carry a supplement on cooperatives. Peking announced (Dec. 27) that TASS had handed over its Epoch Publishing House in Shanghai to the Chinese Government.

UNCLASSIFIED

STATINTL

UNCLASSIFIED

- 4 -

8. (3a) Judicial Changes:

Peking stated in numeral code (Dec. 25) that 95 percent of North China judicial cadres had undergone reform, and drives now were under way to mobilize the masses to hear "improperly adjudicated cases." Many incompetent cadres were "reassigned," and others "favorable to the masses" installed in their places. Village and street "mediation offices" also had been organized.

Shanghai reported (Dec. 26) that 20 percent of the population of southern Kiangsu had taken part in public hearings on accumulated court cases. In Foochow 100,000 people were mobilized to judge 2,000 cases in 30 days.

9. (3a) National Construction:

Peking in numeral code (Dec. 27) quoted Li Chi-shen as telling the People's Political Council on Dec. 24 that to promote the Nation's construction program it was "necessary to transfer power to the people," and implement a system of people's assemblies, as the American refusal to agree to a truce in Korea made it necessary to "meet a new situation" and provide for the "needs of national defense, as well as cultural construction."

Peking announced (Dec. 27) that a new Ministry of Higher Education was inaugurated Dec. 25, as a necessity for emphasizing technical training found the old system unable to provide needed personnel for basic construction. Peking in numeral code (Dec. 28) stated that "in line with the policy of the right man for the right job," 49 Peking technicians had been reassigned. Wuhan reported (Dec. 27) that the Central and South Government had ordered the registration of all personnel in preparation for assignments to national construction.

Shanghai announced (Dec. 28) that winter surveying was being done in preparation for employing half a million workers on the Huai River project next year. Wuhan stated (Dec. 27) that the Chengchow Railway Administration had been reorganized to include sections for basic construction and promotion of progressive experiences.

Sian announced (Dec. 23) that the Ninghsia Construction Company had been reorganized, with classes being held to improve workers' technical, cultural, and political standards. Sian said (Dec. 26) that Tsinghai basic construction companies would spend twice as much next year and employ four times as many workers.

10. (3e) Agricultural Remolding:

Shanghai reported (Dec. 23) that East China farm loans increased 400 percent last year. Wuhan said (Dec. 23) that 400 modern plows had been distributed to farmers of Loyang Special District, Honan, who were being taught to use this new 7-inch plow.

Peking said in numeral code (Dec. 28) that People's Liberation Army units in Tibet had developed 35,000 mou of land and built 150 li of irrigation ditches, greatly increasing the enthusiasm of Tibetan farmers.

11. (4) American-Allied Dissension:

Peking reported (Dec. 26) that Britain, France, Norway, Sweden, Holland, Italy, and other Western nations had protested the McCarran Immigration Act, which violated the rights of seamen, despite international navigation agreements. Peking added

UNCLASSIFIED

STATINTL

UNCLASSIFIED



- 5 -

(Dec. 27) that anti-American sentiment was growing in Germany, France, and other European countries because of American encroachments on their independence.

Peking reported (Dec. 27) that visitors to the Vienna Peace Conference contrasted the attractive appearance of Warsaw with the dilapidated condition of Vienna, which was liberated at about the same time but had been largely under American domination. Signs reading "Stop the Korean War," or "Americans Get Out," demonstrated Viennese hatred of Americans.

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